

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

INCOME TAX REFERENCE No 43 of 1994

For Approval and Signature:

Hon'ble MR.JUSTICE B.C.PATEL and
MR.JUSTICE R.R.JAIN

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COMMISSIONER OF INCOME-TAX

Versus

ALFA TOOLS PVT LTD

Appearance:

MR MANISH R BHATT for Petitioner
SERVED for Respondent No. 1

CORAM : MR.JUSTICE B.C.PATEL and
MR.JUSTICE R.R.JAIN

Date of decision: 11/07/96

ORAL JUDGEMENT

At the instance of the Revenue, the following question is referred to this Court under Section 256(1) of the Income Tax Act, 1961 : -

"Whether on the facts and in the circumstances of the case, Tribunal was correct in law in confirming the order of the CIT(A), Surat allowing deduction of depreciation and investment allowance on the plant and machinery on the cost of plant and machinery without received from State Government to arrive at the 'Actual Cost' of plant and machinery as provided for u/s. 43(1) of the Income Tax Act ?"

2. The Tribunal decided the controversy following the decision of this Court in the case of CIT Vs. Grace Paper Industries Pvt. Ltd. reported in (1990) 183 ITR 591. This case is also covered by the decision of the Apex Court in the case of CIT Vs. P.J. Chemicals,

reported in 210 ITR 830. Hence, the question is required to be answered against the Revenue and in favour of the Assessee. Accordingly, we answer the question in favour of the Assessee and against the Revenue. This reference is disposed of accordingly with no order as to costs.
